

118TH CONGRESS
1ST SESSION

H. R. 2799

To make reforms to the capital markets of the United States, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2023

Mr. MCHENRY introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To make reforms to the capital markets of the United States,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Expanding Access to Capital Act of 2023”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

DIVISION A—STRENGTHENING PUBLIC MARKETS

TITLE I—REMOVE ABERRATIONS IN THE MARKET CAP TEST FOR
TARGET COMPANY FINANCIAL STATEMENTS

Sec. 1101. Avoiding aberrational results in requirements for acquisition and
disposition financial statements.

TITLE II—IMPROVING DISCLOSURE FOR INVESTORS

Sec. 1201. Short title.

Sec. 1202. Electronic delivery.

TITLE III—HELPING STARTUPS CONTINUE TO GROW

Sec. 1301. Short title.

Sec. 1302. Emerging growth company criteria.

TITLE IV—SEC AND PCAOB AUDITOR REQUIREMENTS FOR
NEWLY PUBLIC COMPANIES

Sec. 1401. Auditor independence for certain past audits occurring before an
issuer is a public company.

TITLE V—EXPAND THE PROTECTION FOR RESEARCH REPORTS
TO COVER ALL SECURITIES OF ALL ISSUERS

Sec. 1501. Provision of research.

TITLE VI—CODIFY MIFID NO ACTION LETTER

Sec. 1601. Definition of investment adviser amended to exclude brokers and
dealers compensated for certain research services.

TITLE VII—EXCLUDE QIBS AND IAAS FROM THE RECORD
HOLDER COUNT FOR MANDATORY REGISTRATION

Sec. 1701. Exclusions from mandatory registration threshold.

TITLE VIII—EXPAND WKSJ ELIGIBILITY

Sec. 1801. Definition of well-known seasoned issuer.

TITLE IX—SMALLER REPORTING COMPANY, ACCELERATED
FILER, AND LARGE ACCELERATED FILER THRESHOLDS

Sec. 1901. Smaller reporting company, accelerated filer, and large accelerated
filer thresholds.

DIVISION B—HELPING SMALL BUSINESSES AND
ENTREPRENEURS

TITLE I—UNLOCKING CAPITAL FOR SMALL BUSINESSES

Sec. 2101. Short title.

Sec. 2102. Safe harbors for private placement brokers and finders.

Sec. 2103. Limitations on State law.

TITLE II—SMALL BUSINESS INVESTOR CAPITAL ACCESS

Sec. 2201. Short title.

Sec. 2202. Inflation adjustment for the exemption threshold for certain investment advisers of private funds.

TITLE III—IMPROVING CAPITAL ALLOCATION FOR NEWCOMERS

Sec. 2301. Short title.
Sec. 2302. Qualifying venture capital funds.

TITLE IV—SMALL ENTREPRENEURS' EMPOWERMENT AND DEVELOPMENT

Sec. 2401. Short title.
Sec. 2402. Micro-offering exemption.

TITLE V—REGULATION A+ IMPROVEMENT

Sec. 2501. Short title.
Sec. 2502. JOBS Act-related exemption.

TITLE VI—DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS

Sec. 2601. Short title.
Sec. 2602. Definitions.
Sec. 2603. Reports.

TITLE VII—HELPING ANGELS LEAD OUR STARTUPS

Sec. 2701. Short title.
Sec. 2702. Clarification of general solicitation.
Sec. 2703. Restrictions on new filing requirements in connection with a general solicitation.

TITLE VIII—IMPROVING CROWDFUNDING OPPORTUNITIES

Sec. 2801. Short title.
Sec. 2802. Crowdfunding revisions.

TITLE IX—RESTORING THE SECONDARY TRADING MARKET

Sec. 2901. Short title.
Sec. 2902. Exemption from State regulation.

DIVISION C—INCREASING ACCESS TO PRIVATE MARKETS

TITLE I—GIG WORKER EQUITY COMPENSATION

Sec. 3101. Short title.
Sec. 3102. Extension of Rule 701.
Sec. 3103. Preemption of certain provisions of State law.
Sec. 3104. GAO study.

TITLE II—INVESTMENT OPPORTUNITY EXPANSION

Sec. 3201. Short title.
Sec. 3202. Investment thresholds to qualify as an accredited investor.

TITLE III—RISK DISCLOSURE AND INVESTOR ATTESTATION

Sec. 3301. Short title.

Sec. 3302. Investor attestation.

TITLE IV—INCREASING INVESTOR OPPORTUNITIES

Sec. 3401. Short title.

Sec. 3402. Closed-end company authority to invest in private funds.

TITLE V—ACCREDITED INVESTORS INCLUDE INDIVIDUALS RECEIVING ADVICE FROM CERTAIN PROFESSIONALS

Sec. 3501. Accredited investors include individuals receiving advice from certain professionals.

TITLE VI—RETIREMENT FAIRNESS FOR CHARITIES AND EDUCATIONAL INSTITUTIONS

Sec. 3601. Short title.

Sec. 3602. Enhancement of 403(b) plans.

1 DIVISION A—STRENGTHENING 2 PUBLIC MARKETS 3 TITLE I—REMOVE ABERRATIONS 4 IN THE MARKET CAP TEST 5 FOR TARGET COMPANY FI- 6 NANCIAL STATEMENTS

7 SEC. 1101. AVOIDING ABERRATIONAL RESULTS IN RE- 8 QUIREMENTS FOR ACQUISITION AND DIS- 9 POSITION FINANCIAL STATEMENTS.

10 The Securities and Exchange Commission shall revise
11 section 210.1–02(w)(1)(i)(A) of title 17, Code of Federal
12 Regulations, to permit a registrant, in determining the
13 significance of an acquisition or disposition described in
14 such section 210.1–02(w)(1)(i)(A), to calculate the reg-
15 istrant’s aggregate worldwide market value based on the
16 applicable trading value, conversion value, or exchange
17 value of all of the registrant’s outstanding classes of stock

1 (including preferred stock and non-traded common shares
2 that are convertible into or exchangeable for traded com-
3 mon shares) and not just the voting and non-voting com-
4 mon equity of the registrant.

5 **TITLE II—IMPROVING** 6 **DISCLOSURE FOR INVESTORS**

7 **SEC. 1201. SHORT TITLE.**

8 This title may be cited as the “Improving Disclosure
9 for Investors Act of 2023”.

10 **SEC. 1202. ELECTRONIC DELIVERY.**

11 (a) PROMULGATION OF RULES.—Not later than 180
12 days after the date of the enactment of this section, the
13 Securities and Exchange Commission shall propose and,
14 not later than 1 year after the date of the enactment of
15 this section, the Commission shall finalize, rules, regula-
16 tions, amendments, or interpretations, as appropriate, to
17 allow a covered entity to satisfy the entity’s obligation to
18 deliver regulatory documents required under the securities
19 laws to investors using electronic delivery.

20 (b) REQUIRED PROVISIONS.—Rules, regulations,
21 amendments, or interpretations the Commission promul-
22 gates pursuant to subsection (a) shall:

23 (1) With respect to investors that do not receive
24 all regulatory documents by electronic delivery, pro-
25 vide for—

1 (A) delivery of an initial communication in
2 paper form regarding electronic delivery;

3 (B) a transition period not to exceed 180
4 days until such regulatory documents are deliv-
5 ered to such investors by electronic delivery;
6 and

7 (C) during a period not to exceed 2 years
8 following the transition period set forth in sub-
9 paragraph (B), delivery of an annual notice in
10 paper form solely reminding such investors of
11 the ability to opt out of electronic delivery at
12 any time and receive paper versions of regu-
13 latory documents.

14 (2) Set forth requirements for the content of
15 the initial communication described in paragraph
16 (1)(A).

17 (3) Set forth requirements for the timing of de-
18 livery of a notice of website availability of regulatory
19 documents and the content of the appropriate notice
20 described in subsection (h)(3)(B).

21 (4) Provide a mechanism for investors to opt
22 out of electronic delivery at any time and receive
23 paper versions of regulatory documents.

1 (5) Require measures reasonably designed to
2 identify and remediate failed electronic deliveries of
3 regulatory documents.

4 (6) Set forth minimum requirements regarding
5 readability and retainability for regulatory docu-
6 ments that are delivered electronically.

7 (7) For covered entities other than brokers,
8 dealers, investment advisers registered with the
9 Commission, and investment companies, require
10 measures reasonably designed to ensure the con-
11 fidentiality of personal information in regulatory
12 documents that are delivered to investors electroni-
13 cally.

14 (c) EXEMPTION FROM CERTAIN REQUIREMENTS.—
15 Section 101(c) of the Electronic Signatures in Global and
16 National Commerce Act (15 U.S.C. 7001(c)) shall not
17 apply with respect to a regulatory document delivered in
18 accordance with this section.

19 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
20 tion shall be construed as altering the substance or timing
21 of any regulatory document obligation under the securities
22 laws or regulations of a self-regulatory organization.

23 (e) TREATMENT OF REVISIONS NOT COMPLETED IN
24 A TIMELY MANNER.—If the Commission fails to finalize
25 the rules, regulations, amendments, or interpretations re-

1 quired under subsection (a) before the date specified in
2 such subsection—

3 (1) a covered entity may deliver regulatory doc-
4 uments using electronic delivery in accordance with
5 subsections (b) through (d); and

6 (2) such electronic delivery shall be deemed to
7 satisfy the obligation of the covered entity to deliver
8 regulatory documents required under the securities
9 laws.

10 (f) OTHER ACTION.—

11 (1) REVIEW OF RULES.—The Commission
12 shall—

13 (A) within 180 days of the date of enact-
14 ment of this Act, conduct a review of the rules
15 and regulations of the Commission to determine
16 whether any such rules or regulations require
17 delivery of written documents to investors; and

18 (B) within 1 year of the date of enactment
19 of this Act, promulgate amendments to such
20 rules or regulations to provide that any require-
21 ment to deliver a regulatory document “in writ-
22 ing” may be satisfied by electronic delivery.

23 (2) ACTIONS BY SELF-REGULATORY ORGANIZA-
24 TIONS.—Each self-regulatory organization shall
25 adopt rules and regulations, or amend the rules and

1 regulations of the self-regulatory organization, con-
2 sistent with this Act and consistent with rules, regu-
3 lations, amendments, or interpretations finalized by
4 the Commission pursuant to subsection (a).

5 (3) RULE OF APPLICATION.—This subsection
6 shall not apply to a rule or regulation issued pursu-
7 ant to a Federal statute if that Federal statute spe-
8 cifically requires delivery of written documents to in-
9 vestors.

10 (g) DEFINITIONS.—In this section:

11 (1) COMMISSION.—The term “Commission”
12 means the Securities and Exchange Commission.

13 (2) COVERED ENTITY.—The term “covered en-
14 tity” means—

15 (A) an investment company (as defined in
16 section 3(a)(1) of the Investment Company Act
17 of 1940 (15 U.S.C. 80a–3)) that is registered
18 under such Act;

19 (B) a business development company (as
20 defined in section 2(a) the Investment Company
21 Act of 1940 (15 U.S.C. 80a–2(a))) that has
22 elected to be regulated as such under such Act;

23 (C) a registered broker or dealer (as de-
24 fined in section 3(a)(4) and section 3(a)(5) of

1 the Securities Exchange Act of 1934) (15
2 U.S.C. 78c(a)(4) & 78c(a)(5));

3 (D) a registered municipal securities dealer
4 (as defined in section 3(a)(30) of the Securities
5 Exchange Act of 1934) (15 U.S.C. 78c(a)(30));

6 (E) a registered government securities
7 broker or government securities dealer (as de-
8 fined in section 3(a)(43) and section 3(a)(44) of
9 the Securities Exchange Act of 1934) (15
10 U.S.C. 78c(a)(43) & 78c(a)(44));

11 (F) a registered investment adviser (as de-
12 fined in section 202(a)(11) of the Investment
13 Advisers Act of 1940) (15 U.S.C. 80b–1);

14 (G) a registered transfer agent (as defined
15 in section 3(a)(25) of the Securities Exchange
16 Act of 1934) (15 U.S.C. 78c(a)); or

17 (H) a registered funding portal (as defined
18 in section 3(a)(81) of the Securities Exchange
19 Act of 1934) (15 U.S.C. 78c(a)).

20 (3) ELECTRONIC DELIVERY.—The term “elec-
21 tronic delivery”, with respect to regulatory docu-
22 ments, includes—

23 (A) the direct delivery of such regulatory
24 document to an electronic address of an inves-
25 tor;

1 (B) the posting of such regulatory docu-
2 ment to a website and direct electronic delivery
3 of an appropriate notice of the availability of
4 the regulatory document to the investor; and

5 (C) an electronic method reasonably de-
6 signed to ensure receipt of such regulatory doc-
7 ument by the investor.

8 (4) REGULATORY DOCUMENTS.—The term
9 “regulatory documents” includes—

10 (A) prospectuses meeting the requirements
11 of section 10(a) of the Securities Act of 1933
12 (15 U.S.C. 77j);

13 (B) summary prospectuses meeting the re-
14 quirements of—

15 (i) section 230.498 of title 17, Code of
16 Federal Regulations; or

17 (ii) section 230.498A of title 17, Code
18 of Federal Regulations;

19 (C) statements of additional information,
20 as described under section 270.30e–3(h)(3) of
21 title 17, Code of Federal Regulations;

22 (D) annual and semi-annual reports to in-
23 vestors meeting the requirements of section
24 30(e) of the Investment Company Act of 1940
25 (15 U.S.C. 80a–29(e));

1 (E) notices meeting the requirements
2 under section 270.19a–1 of title 17, Code of
3 Federal Regulations;

4 (F) confirmations and account statements
5 meeting the requirements under section
6 240.10b–10 of title 17, Code of Federal Regula-
7 tions;

8 (G) proxy statements meeting the require-
9 ments under section 240.14a–3 of title 17,
10 Code of Federal Regulations;

11 (H) privacy notices meeting the require-
12 ments of Regulation S–P under subpart A of
13 part 248 of title 17, Code of Federal Regula-
14 tions;

15 (I) affiliate marketing notices meeting the
16 requirements of Regulation S–AM under sub-
17 part B of part 248 of title 17, Code of Federal
18 Regulations; and

19 (J) all other regulatory documents re-
20 quired to be delivered by covered entities to in-
21 vestors under the securities laws and the rules
22 and regulations of the Commission and the self-
23 regulatory organizations.

24 (5) SECURITIES LAWS.—The term “securities
25 laws” has the meaning given the term in section

1 3(a) of the Securities Exchange Act of 1934 (15
2 U.S.C. 78c(a)).

3 (6) SELF-REGULATORY ORGANIZATION.—The
4 term “self-regulatory organization” means—

5 (A) a self-regulatory organization, as de-
6 fined in section 2(a)(26) of the Securities Ex-
7 change Act of 1934 (15 U.S.C. 78c(a)); and

8 (B) the Municipal Securities Rulemaking
9 Board.

10 (7) WEBSITE.—The term “website” means an
11 internet website or other digital, internet, or elec-
12 tronic-based information repository, such as a mobile
13 application, to which an investor of a covered entity
14 has been provided reasonable access.

15 **TITLE III—HELPING STARTUPS** 16 **CONTINUE TO GROW**

17 **SEC. 1301. SHORT TITLE.**

18 This title may be cited as the “Helping Startups Con-
19 tinue To Grow Act”.

20 **SEC. 1302. EMERGING GROWTH COMPANY CRITERIA.**

21 (a) SECURITIES ACT OF 1933.—Section 2(a)(19) of
22 the Securities Act of 1933 (15 U.S.C. 77b(a)(19)) is
23 amended—

24 (1) by striking “\$1,000,000,000” each place
25 such term appears and inserting “\$1,500,000,000”;

1 (2) in subparagraph (B)—

2 (A) by striking “fifth” and inserting “7-
3 year”; and

4 (B) by adding “or” at the end;

5 (3) in subparagraph (C), by striking “; or” and
6 inserting a period; and

7 (4) by striking subparagraph (D).

8 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
9 3(a) of the Securities Exchange Act of 1934 (15 U.S.C.
10 78c(a)) is amended, in the first paragraph (80) (related
11 to emerging growth companies)—

12 (1) by striking “\$1,000,000,000” each place
13 such term appears and inserting “\$1,500,000,000”;

14 (2) in subparagraph (B)—

15 (A) by striking “fifth” and inserting “7-
16 year”; and

17 (B) by adding “or” at the end;

18 (3) in subparagraph (C), by striking “; or” and
19 inserting a period; and

20 (4) by striking subparagraph (D).

1 **TITLE IV—SEC AND PCAOB AUDI-**
2 **TOR REQUIREMENTS FOR**
3 **NEWLY PUBLIC COMPANIES**

4 **SEC. 1401. AUDITOR INDEPENDENCE FOR CERTAIN PAST**
5 **AUDITS OCCURRING BEFORE AN ISSUER IS A**
6 **PUBLIC COMPANY.**

7 (a) AUDITOR INDEPENDENCE STANDARDS OF THE
8 PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.—
9 Section 103 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
10 7213) is amended by adding at the end the following:

11 “(e) AUDITOR INDEPENDENCE FOR CERTAIN PAST
12 AUDITS OCCURRING BEFORE AN ISSUER IS A PUBLIC
13 COMPANY.—With respect to an issuer that is a public
14 company or an issuer that has filed a registration state-
15 ment to become a public company, the auditor independ-
16 ence rules established by the Board with respect to audits
17 occurring before the last fiscal year of the issuer completed
18 before the issuer filed a registration statement to become
19 a public company shall treat an auditor as independent
20 if—

21 “(1) the auditor is independent under standards
22 established by the American Institute of Certified
23 Public Accountants applicable to certified public ac-
24 countants in United States; or

1 “(2) with respect to a foreign issuer, the audi-
2 tor is independent under comparable standards ap-
3 plicable to certified public accountants in the issuer’s
4 home country.”.

5 (b) AUDITOR INDEPENDENCE STANDARDS OF THE
6 SECURITIES AND EXCHANGE COMMISSION.—Section 10A
7 of the Securities Exchange Act of 1934 (15 U.S.C. 78j–
8 1) is amended by adding at the end the following:

9 “(n) AUDITOR INDEPENDENCE FOR CERTAIN PAST
10 AUDITS OCCURRING BEFORE AN ISSUER IS A PUBLIC
11 COMPANY.—With respect to an issuer that is a public
12 company or an issuer that has filed a registration state-
13 ment to become a public company, the auditor independ-
14 ence rules established by the Commission under the securi-
15 ties laws with respect to audits occurring before the last
16 fiscal year of the issuer completed before the issuer filed
17 a registration statement to become a public company shall
18 treat an auditor as independent if—

19 “(1) the auditor is independent under standards
20 established by the American Institute of Certified
21 Public Accountants applicable to certified public ac-
22 countants in United States; or

23 “(2) with respect to a foreign issuer, the audi-
24 tor is independent under comparable standards ap-

1 plicable to certified public accountants in the issuer’s
 2 home country.”.

3 **TITLE V—EXPAND THE PROTEC-**
 4 **TION FOR RESEARCH RE-**
 5 **PORTS TO COVER ALL SECU-**
 6 **RITIES OF ALL ISSUERS**

7 **SEC. 1501. PROVISION OF RESEARCH.**

8 Section 2(a)(3) of the Securities Act of 1933 (15
 9 U.S.C. 77b(a)(3)) is amended—

10 (a) by striking “an emerging growth company” and
 11 inserting “an issuer”;

12 (b) by striking “the common equity” and inserting
 13 “any”; and

14 (c) by striking “such emerging growth company” and
 15 inserting “such issuer”.

16 **TITLE VI—CODIFY MIFID NO**
 17 **ACTION LETTER**

18 **SEC. 1601. DEFINITION OF INVESTMENT ADVISER AMEND-**
 19 **ED TO EXCLUDE BROKERS AND DEALERS**
 20 **COMPENSATED FOR CERTAIN RESEARCH**
 21 **SERVICES.**

22 Section 202(a)(11) of the Investment Advisers Act of
 23 1940 (15 U.S.C. 80b–2(a)(11)) is amended—

24 (1) by striking “(C) any” and inserting “(C)(i)
 25 any”;

1 (2) by striking “dealer and who receives” and
 2 inserting “dealer; and (ii)(I) who receives”; and
 3 (3) by inserting “; or (II) who receives special
 4 compensation for research services (as described in
 5 section 28(e)(1) of the Securities Exchange Act of
 6 1934 (15 U.S.C. 78bb(e)(1))) from a client that is
 7 directly or indirectly required as a result of laws of
 8 a foreign financial regulatory authority to pay spe-
 9 cial compensation for such services” after “com-
 10 pensation therefor”.

11 **TITLE VII—EXCLUDE QIBS AND**
 12 **IAAS FROM THE RECORD**
 13 **HOLDER COUNT FOR MANDA-**
 14 **TORY REGISTRATION**

15 **SEC. 1701. EXCLUSIONS FROM MANDATORY REGISTRATION**
 16 **THRESHOLD.**

17 (a) IN GENERAL.—Section 12(g)(1) of the Securities
 18 Exchange Act of 1934 (15 U.S.C. 78l(g)(1)) is amended—

19 (1) in subparagraph (A)(i), by inserting after
 20 “persons” the following: “(that are not a qualified
 21 institutional buyer or an institutional accredited in-
 22 vestor)”; and

23 (2) in subparagraph (B), by inserting after
 24 “persons” the following: “(that are not a qualified

1 institutional buyer or an institutional accredited in-
 2 vestor)”.
 3

4 (b) NONAPPLICABILITY OF GENERAL EXEMPTIVE
 5 AUTHORITY.—Section 36 of the Securities Exchange Act
 6 of 1934 (15 U.S.C. 78mm) shall not apply to the matter
 7 inserted by the amendments made by subsection (a).

8 **TITLE VIII—EXPAND WKSI** **ELIGIBILITY**

9 **SEC. 1801. DEFINITION OF WELL-KNOWN SEASONED** 10 **ISSUER.**

11 For purposes of the Federal securities laws, and reg-
 12 ulations issued thereunder, an issuer shall be a “well-
 13 known seasoned issuer” if—

14 (1) the aggregate market value of the voting
 15 and non-voting common equity held by non-affiliates
 16 of the issuer is \$250,000,000 or more (as deter-
 17 mined under Form S-3 general instruction I.B.1. as
 18 in effect on the date of enactment of this Act); and

19 (2) the issuer otherwise satisfies the require-
 20 ments of the definition of “well-known seasoned
 21 issuer” contained in section 230.405 of title 17,
 22 Code of Federal Regulations without reference to
 23 any requirement in such definition relating to min-
 24 imum worldwide market value of outstanding voting
 25 and non-voting common equity held by non-affiliates.

1 **TITLE IX—SMALLER REPORTING**
2 **COMPANY, ACCELERATED**
3 **FILER, AND LARGE ACCELER-**
4 **ATED FILER THRESHOLDS**

5 **SEC. 1901. SMALLER REPORTING COMPANY, ACCELERATED**
6 **FILER, AND LARGE ACCELERATED FILER**
7 **THRESHOLDS.**

8 (a) SMALLER REPORTING COMPANIES.—

9 (1) IN GENERAL.—The Securities and Ex-
10 change Commission shall revise the definition of a
11 “smaller reporting company” under section
12 229.10(f)(1) of title 17, Code of Federal Regula-
13 tions—

14 (A) in paragraph (i), by adjusting the pub-
15 lic float threshold from \$250,000,000 to
16 \$500,000,000; and

17 (B) in paragraph (ii)—

18 (i) by adjusting the annual revenue
19 threshold from \$100,000,000 to
20 \$250,000,000; and

21 (ii) in paragraph (B), by adjusting the
22 public float threshold from \$700,000,000
23 to \$900,000,000.

24 (2) USE OF THREE-YEAR ROLLING AVERAGE
25 ANNUAL REVENUES.—The Securities and Exchange

1 Commission shall revise paragraphs (1)(ii) and
2 (2)(iii)(B) under the definition of “smaller reporting
3 company” under section 229.10(f)(1) of title 17,
4 Code of Federal Regulations, by substituting “three-
5 year rolling average annual revenues” for “annual
6 revenues”.

7 (3) CONFORMING CHANGES.—The Securities
8 and Exchange Commission shall revise the definition
9 of a “smaller reporting company” under sections
10 230.405 and 240.12b–2 of title 17, Code of Federal
11 Regulations, and any other rule of the Commission
12 in the same manner as such definition is revised
13 under paragraphs (1) and (2).

14 (b) ACCELERATED FILERS AND LARGE ACCELER-
15 ATED FILERS.—

16 (1) LARGE ACCELERATED FILER.—The Securi-
17 ties and Exchange Commission shall revise the defi-
18 nition of a “large accelerated filer” under section
19 240.12b–2(2) of title 17, Code of Federal Regula-
20 tions, to increase the threshold amount (for the ag-
21 gregate worldwide market value of the voting and
22 non-voting common equity held by non-affiliates of
23 an issuer) from \$700,000,000 to \$750,000,000.

24 (2) THRESHOLD TO EXIT ACCELERATED FILER
25 STATUS.—The Securities and Exchange Commission

1 shall revise section 240.12b–2(3)(ii) of title 17, Code
2 of Federal Regulations, to increase the threshold
3 amount (for the aggregate worldwide market value
4 of the voting and non-voting common equity held by
5 non-affiliates of an issuer) at which an issuer is no
6 longer an accelerated filer from \$60,000,000 to
7 \$75,000,000.

8 (3) THRESHOLD TO EXIT LARGE ACCELERATED
9 FILER STATUS.—The Securities and Exchange Com-
10 mission shall revise section 240.12b–2(3)(iii) of title
11 17, Code of Federal Regulations, to increase the
12 threshold amount (for the aggregate worldwide mar-
13 ket value of the voting and non-voting common eq-
14 uity held by non-affiliates of an issuer) at which an
15 issuer is no longer a large accelerated filer from
16 \$560,000,000 to \$750,000,000.

17 (4) EXCLUSION OF SMALLER REPORTING COM-
18 PANIES.—The Securities and Exchange Commission
19 shall revise the definitions of an “accelerated filer”
20 and a “large accelerated filer” under paragraphs (1)
21 and (2) of section 240.12b–2 of title 17, Code of
22 Federal Regulations, respectively, to exclude any
23 issuer that is a smaller reporting company, as de-
24 fined under section 229.10(f)(1) of title 17, Code of
25 Federal Regulations.

1 **DIVISION B—HELPING SMALL**
2 **BUSINESSES AND ENTRE-**
3 **PRENEURS**
4 **TITLE I—UNLOCKING CAPITAL**
5 **FOR SMALL BUSINESSES**

6 **SEC. 2101. SHORT TITLE.**

7 This title may be cited as the “Unlocking Capital for
8 Small Businesses Act of 2023”.

9 **SEC. 2102. SAFE HARBORS FOR PRIVATE PLACEMENT BRO-**
10 **KERS AND FINDERS.**

11 (a) IN GENERAL.—Section 15 of the Securities Ex-
12 change Act of 1934 (15 U.S.C. 78o) is amended by adding
13 at the end the following:

14 “(p) PRIVATE PLACEMENT BROKER SAFE HAR-
15 BOR.—

16 “(1) REGISTRATION REQUIREMENTS.—Not
17 later than 180 days after the date of the enactment
18 of this subsection the Commission shall promulgate
19 regulations with respect to private placement brokers
20 that are no more stringent than those imposed on
21 funding portals.

22 “(2) NATIONAL SECURITIES ASSOCIATIONS.—
23 Not later than 180 days after the date of the enact-
24 ment of this subsection the Commission shall pro-
25 mulgate regulations that require the rules of any na-

1 tional securities association to allow a private place-
2 ment broker to become a member of such national
3 securities association subject to reduced membership
4 requirements consistent with this subsection.

5 “(3) DISCLOSURES REQUIRED.—Before effect-
6 ing a transaction, a private placement broker shall
7 disclose clearly and conspicuously, in writing, to all
8 parties to the transaction as a result of the broker’s
9 activities—

10 “(A) that the broker is acting as a private
11 placement broker;

12 “(B) the amount of any payment or antici-
13 pated payment for services rendered as a pri-
14 vate placement broker in connection with such
15 transaction;

16 “(C) the person to whom any such pay-
17 ment is made;

18 “(D) any beneficial interest in the issuer,
19 direct or indirect, of the private placement
20 broker, of a member of the immediate family of
21 the private placement broker, of an associated
22 person of the private placement broker, or of a
23 member of the immediate family of such associ-
24 ated person.

1 “(4) PRIVATE PLACEMENT BROKER DE-
2 FINED.—In this subsection, the term ‘private place-
3 ment broker’ means a person that—

4 “(A) receives transaction-based compensa-
5 tion—

6 “(i) for effecting a transaction by—

7 “(I) introducing an issuer of se-
8 curities and a buyer of such securities
9 in connection with the sale of a busi-
10 ness effected as the sale of securities;
11 or

12 “(II) introducing an issuer of se-
13 curities and a buyer of such securities
14 in connection with the placement of
15 securities in transactions that are ex-
16 empt from registration requirements
17 under the Securities Act of 1933; and

18 “(ii) that is not with respect to—

19 “(I) a class of publicly traded se-
20 curities;

21 “(II) the securities of an invest-
22 ment company (as defined in section 3
23 of the Investment Company Act of
24 1940); or

1 “(III) a variable or equity-in-
 2 dexed annuity or other variable or eq-
 3 uity-indexed life insurance product;

4 “(B) with respect to a transaction for
 5 which such transaction-based compensation is
 6 received—

7 “(i) does not handle or take posses-
 8 sion of the funds or securities; and

9 “(ii) does not engage in an activity
 10 that requires registration as an investment
 11 adviser under State or Federal law; and

12 “(C) is not a finder as defined under sub-
 13 section (q).

14 “(q) FINDER SAFE HARBOR.—

15 “(1) NONREGISTRATION.—A finder is exempt
 16 from the registration requirements of this Act.

17 “(2) NATIONAL SECURITIES ASSOCIATIONS.—A
 18 finder shall not be required to become a member of
 19 any national securities association.

20 “(3) FINDER DEFINED.—In this subsection, the
 21 term ‘finder’ means a person described in para-
 22 graphs (A) and (B) of subsection (p)(4) that—

23 “(A) receives transaction-based compensa-
 24 tion of equal to or less than \$500,000 in any
 25 calendar year;

1 “(B) receives transaction-based compensa-
2 tion in connection with transactions that result
3 in a single issuer selling securities valued at
4 equal to or less than \$15 million in any cal-
5 endar year;

6 “(C) receives transaction-based compensa-
7 tion in connection with transactions that result
8 in any combination of issuers selling securities
9 valued at equal to or less than \$30 million in
10 any calendar year; or

11 “(D) receives transaction-based compensa-
12 tion in connection with fewer than 16 trans-
13 actions that are not part of the same offering
14 or are otherwise unrelated in any calendar
15 year.”.

16 (b) VALIDITY OF CONTRACTS WITH REGISTERED
17 PRIVATE PLACEMENT BROKERS AND FINDERS.—Section
18 29 of the Securities Exchange Act of 1934 (15 U.S.C.
19 78cc) is amended by adding at the end the following:

20 “(d) Subsection (b) shall not apply to a contract
21 made for a transaction if—

22 “(1) the transaction is one in which the issuer
23 engaged the services of a broker or dealer that is not
24 registered under this Act with respect to such trans-
25 action;

1 “(2) such issuer received a self-certification
 2 from such broker or dealer certifying that such
 3 broker or dealer is a registered private placement
 4 broker under section 15(p) or a finder under section
 5 15(q); and

6 “(3) the issuer either did not know that such
 7 self-certification was false or did not have a reason-
 8 able basis to believe that such self-certification was
 9 false.”.

10 (c) REMOVAL OF PRIVATE PLACEMENT BROKERS
 11 FROM DEFINITIONS OF BROKER.—

12 (1) RECORDS AND REPORTS ON MONETARY IN-
 13 STRUMENTS TRANSACTIONS.—Section 5312 of title
 14 31, United States Code, is amended in subsection
 15 (a)(2)(G) by inserting “with the exception of a pri-
 16 vate placement broker as defined in section 15(p)(4)
 17 of the Securities Exchange Act of 1934 (15 U.S.C.
 18 78o(p)(4))” before the semicolon at the end.

19 (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-
 20 tion 3(a)(4) of the Securities Exchange Act of 1934
 21 (15 U.S.C. 78c(a)(4)) is amended by adding at the
 22 end the following:

23 “(G) PRIVATE PLACEMENT BROKERS.—A
 24 private placement broker as defined in section

1 15(p)(4) is not a broker for the purposes of this
2 Act.”.

3 **SEC. 2103. LIMITATIONS ON STATE LAW.**

4 Section 15(i) of the Securities Exchange Act of 1934
5 (15 U.S.C. 78o(i)) is amended—

6 (1) by redesignating paragraphs (3) and (4) as
7 paragraphs (4) and (5), respectively;

8 (2) by inserting after paragraph (2) the fol-
9 lowing:

10 “(3) PRIVATE PLACEMENT BROKERS AND FIND-
11 ERS.—

12 “(A) IN GENERAL.—No State or political
13 subdivision thereof may enforce any law, rule,
14 regulation, or other administrative action that
15 imposes greater registration, audit, financial
16 recordkeeping, or reporting requirements on a
17 private placement broker or finder than those
18 that are required under subsections (p) and (q),
19 respectively.

20 “(B) DEFINITION OF STATE.—For pur-
21 poses of this paragraph, the term ‘State’ in-
22 cludes the District of Columbia and each terri-
23 tory of the United States.”; and

1 (3) in paragraph (4), as so redesignated, by
 2 striking “paragraph (3)” and inserting “paragraph
 3 (5)”.

4 **TITLE II—SMALL BUSINESS**
 5 **INVESTOR CAPITAL ACCESS**

6 **SEC. 2201. SHORT TITLE.**

7 This title may be cited as the “Small Business Inves-
 8 tor Capital Access Act”.

9 **SEC. 2202. INFLATION ADJUSTMENT FOR THE EXEMPTION**
 10 **THRESHOLD FOR CERTAIN INVESTMENT AD-**
 11 **VISERS OF PRIVATE FUNDS.**

12 Section 203(m) of the Investment Advisers Act of
 13 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the
 14 end the following:

15 “(5) INFLATION ADJUSTMENT.—The Commis-
 16 sion shall adjust the dollar amount described under
 17 paragraph (1)—

18 “(A) upon enactment of this paragraph, to
 19 reflect the change in the Consumer Price Index
 20 for All Urban Consumers published by the Bu-
 21 reau of Labor Statistics of the Department of
 22 Labor between the date of enactment of the
 23 Private Fund Investment Advisers Registration
 24 Act of 2010 and the date of enactment of this
 25 paragraph; and

1 “(B) annually thereafter, to reflect the
2 change in the Consumer Price Index for All
3 Urban Consumers published by the Bureau of
4 Labor Statistics of the Department of Labor.”.

5 **TITLE III—IMPROVING CAPITAL**
6 **ALLOCATION FOR NEWCOMERS**

7 **SEC. 2301. SHORT TITLE.**

8 This title may be cited as the “Improving Capital Al-
9 location for Newcomers Act of 2023”.

10 **SEC. 2302. QUALIFYING VENTURE CAPITAL FUNDS.**

11 Section 3(c)(1) of the Investment Company Act of
12 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

13 (1) in the matter preceding subparagraph (A),
14 by striking “250 persons” and inserting “600 per-
15 sons”; and

16 (2) in subparagraph (C)(i), by striking
17 “\$10,000,000” and inserting “\$150,000,000”.

18 **TITLE IV—SMALL ENTRE-**
19 **PRENEURS’ EMPOWERMENT**
20 **AND DEVELOPMENT**

21 **SEC. 2401. SHORT TITLE.**

22 This title may be cited as the “Small Entrepreneurs’
23 Empowerment and Development Act of 2023” or the
24 “SEED Act of 2023”.

1 **SEC. 2402. MICRO-OFFERING EXEMPTION.**

2 (a) IN GENERAL.—Section 4 of the Securities Act of
3 1933 (15 U.S.C. 77d) is amended—

4 (1) in subsection (a), by adding at the end the
5 following:

6 “(8) transactions meeting the requirements of
7 subsection (f).”; and

8 (2) by adding at the end the following:

9 “(f) MICRO-OFFERINGS.—The transactions referred
10 to in subsection (a)(8) are transactions involving the sale
11 of securities by an issuer (including all entities controlled
12 by or under common control with the issuer) where the
13 aggregate amount of all securities sold by the issuer, in-
14 cluding any amount sold in reliance on the exemption pro-
15 vided under subsection (a)(8), during the 12-month period
16 preceding such transaction, does not exceed \$250,000.”.

17 (b) DISQUALIFICATION.—

18 (1) IN GENERAL.—Not later than 270 days
19 after the date of enactment of this Act, the Securi-
20 ties and Exchange Commission shall, by rule, estab-
21 lish disqualification provisions under which an issuer
22 shall not be eligible to offer securities pursuant to
23 section 4(a)(8) of the Securities Act of 1933, as
24 added by this section.

25 (2) INCLUSIONS.—Disqualification provisions
26 required by this subsection shall—

1 (A) be substantially similar to the provi-
2 sions of section 230.506(d) of title 17, Code of
3 Federal Regulations (or any successor thereto);
4 and

5 (B) disqualify any offering or sale of secu-
6 rities by a person that—

7 (i) is subject to a final order of a cov-
8 ered regulator that—

9 (I) bars the person from—

10 (aa) association with an en-
11 tity regulated by the covered reg-
12 ulator;

13 (bb) engaging in the busi-
14 ness of securities, insurance, or
15 banking; or

16 (cc) engaging in savings as-
17 sociation or credit union activi-
18 ties; or

19 (II) constitutes a final order
20 based on a violation of any law or reg-
21 ulation that prohibits fraudulent, ma-
22 nipulative, or deceptive conduct, if
23 such final order was issued within the
24 previous 10-year period; or

1 (ii) has been convicted of any felony
2 or misdemeanor in connection with the
3 purchase or sale of any security or involv-
4 ing the making of any false filing with the
5 Commission.

6 (3) COVERED REGULATOR DEFINED.—In this
7 subsection, the term “covered regulator” means—

8 (A) a State securities commission (or an
9 agency or officer of a State performing like
10 functions);

11 (B) a State authority that supervises or
12 examines banks, savings associations, or credit
13 unions;

14 (C) a State insurance commission (or an
15 agency or officer of a State performing like
16 functions);

17 (D) a Federal banking agency (as defined
18 under section 3 of the Federal Deposit Insur-
19 ance Act); and

20 (E) the National Credit Union Administra-
21 tion.

22 (c) EXEMPTION UNDER STATE REGULATIONS.—Sec-
23 tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
24 77r(b)(4)) is amended—

1 (1) in subparagraph (F), by striking “or” at
2 the end;

3 (2) in subparagraph (G), by striking the period
4 and inserting “; or”; and

5 (3) by adding at the end the following:

6 “(H) section 4(a)(8).”.

7 **TITLE V—REGULATION A+** 8 **IMPROVEMENT**

9 **SEC. 2501. SHORT TITLE.**

10 This title may be cited as the “Regulation A+ Im-
11 provement Act of 2023”.

12 **SEC. 2502. JOBS ACT-RELATED EXEMPTION.**

13 Section 3(b) of the Securities Act of 1933 (15 U.S.C.
14 77c(b)) is amended—

15 (1) in paragraph (2)(A), by striking
16 “\$50,000,000” and inserting “\$150,000,000, ad-
17 justed for inflation by the Commission every 2 years
18 to the nearest \$10,000 to reflect the change in the
19 Consumer Price Index for All Urban Consumers
20 published by the Bureau of Labor Statistics”; and

21 (2) in paragraph (5)—

22 (A) by striking “such amount as” and in-
23 serting: “such amount, in addition to the ad-
24 justment for inflation provided for under such
25 paragraph (2)(A), as”; and

1 (B) by striking “such amount, it” and in-
 2 serting “such amount, in addition to the adjust-
 3 ment for inflation provided for under such
 4 paragraph (2)(A), it”.

5 **TITLE VI—DEVELOPING AND EM-**
 6 **POWERING OUR ASPIRING**
 7 **LEADERS**

8 **SEC. 2601. SHORT TITLE.**

9 This title may be cited as the “Developing and Em-
 10 powering our Aspiring Leaders Act of 2023” or the
 11 “DEAL Act of 2023”.

12 **SEC. 2602. DEFINITIONS.**

13 Not later than the end of the 180-day period begin-
 14 ning on the date of the enactment of this Act, the Securi-
 15 ties and Exchange Commission shall, to the extent such
 16 revisions facilitate capital formation without compro-
 17 mising investor protection—

18 (1) revise the definition of a qualifying invest-
 19 ment under paragraph (c) of section 275.203(l)–1 of
 20 title 17, Code of Federal Regulations—

21 (A) to include an equity security issued by
 22 a qualifying portfolio company, whether ac-
 23 quired directly from the company or in a sec-
 24 ondary acquisition; and

1 (B) to specify that an investment in an-
2 other venture capital fund is a qualifying in-
3 vestment under such definition; and

4 (2) revise paragraph (a) of such section to re-
5 quire, as a condition of a private fund qualifying as
6 a venture capital fund under such paragraph, that
7 the qualifying investments of the private fund are ei-
8 ther—

9 (A) predominantly qualifying investments
10 that were acquired directly from a qualifying
11 portfolio company; or

12 (B) predominantly qualifying investments
13 in another venture capital fund or other venture
14 capital funds.

15 **SEC. 2603. REPORTS.**

16 (a) GAO REPORT.—The Comptroller General of the
17 United States shall issue a report to Congress on the risks
18 and impacts of concentrated sectoral counterparty risk in
19 the banking sector, in light of the failure of Silicon Valley
20 Bank.

21 (b) ADVOCATE FOR SMALL BUSINESS CAPITAL FOR-
22 MATION REPORT.—The Advocate for Small Business Cap-
23 ital Formation shall issue a report to Congress and the
24 Securities and Exchange Commission—

1 (1) examining the access to banking services for
 2 venture funds and companies funded by venture cap-
 3 ital, in light of the failure of Silicon Valley Bank, es-
 4 pecially those funds and companies located outside
 5 of the established technology and venture capital
 6 hubs of California, Massachusetts, and New York;
 7 and

8 (2) containing any policy recommendations of
 9 the Advocate.

10 **TITLE VII—HELPING ANGELS** 11 **LEAD OUR STARTUPS**

12 **SEC. 2701. SHORT TITLE.**

13 This title may be cited as the “Helping Angels Lead
 14 Our Startups Act of 2023” or the “HALOS Act of 2023”.

15 **SEC. 2702. CLARIFICATION OF GENERAL SOLICITATION.**

16 (a) DEFINITIONS.—For purposes of this title and the
 17 revision of rules required under this title:

18 (1) ANGEL INVESTOR GROUP.—The term
 19 “angel investor group” means any group that—

20 (A) is composed of accredited investors in-
 21 terested in investing personal capital in early-
 22 stage companies;

23 (B) holds regular meetings and has defined
 24 processes and procedures for making invest-

1 ment decisions, either individually or among the
2 membership of the group as a whole; and

3 (C) is neither associated nor affiliated with
4 brokers, dealers, or investment advisers.

5 (2) ISSUER.—The term “issuer” means an
6 issuer that is a business, is not in bankruptcy or re-
7 ceivership, is not an investment company, and is not
8 a blank check, blind pool, or shell company.

9 (b) IN GENERAL.—Not later than 6 months after the
10 date of enactment of this Act, the Securities and Ex-
11 change Commission shall revise Regulation D of its rules
12 (17 CFR 230.500 et seq.) to require that in carrying out
13 the prohibition against general solicitation or general ad-
14 vertising contained in section 230.502(c) of title 17, Code
15 of Federal Regulations, the prohibition shall not apply to
16 a presentation or other communication made by or on be-
17 half of an issuer which is made at an event—

18 (1) sponsored by—

19 (A) the United States or any territory
20 thereof, the District of Columbia, any State, a
21 political subdivision of any State or territory, or
22 any agency or public instrumentality of any of
23 the foregoing;

24 (B) a college, university, or other institu-
25 tion of higher education;

1 (C) a nonprofit organization;

2 (D) an angel investor group;

3 (E) a venture forum, venture capital asso-
4 ciation, or trade association;

5 (F) an incubator;

6 (G) an accelerator; or

7 (H) any other group, person, or entity as
8 the Securities and Exchange Commission may
9 determine by rule;

10 (2) where any advertising for the event does not
11 reference any specific offering of securities by the
12 issuer;

13 (3) the sponsor of which—

14 (A) does not make investment rec-
15 ommendations or provide investment advice to
16 event attendees;

17 (B) does not engage in an active role in
18 any investment negotiations between the issuer
19 and investors attending the event;

20 (C) does not charge event attendees any
21 fees other than reasonable administrative fees;

22 (D) does not receive any compensation for
23 making introductions between investors attend-
24 ing the event and issuers, or for investment ne-
25 gotiations between such parties;

1 (E) makes readily available to attendees a
2 disclosure not longer than one page in length,
3 as prescribed by the Securities and Exchange
4 Commission, describing the nature of the event
5 and the risks of investing in the issuers pre-
6 senting at the event; and

7 (F) does not receive any compensation
8 with respect to such event that would require
9 registration of the sponsor as a broker or a
10 dealer under the Securities Exchange Act of
11 1934, or as an investment advisor under the In-
12 vestment Advisers Act of 1940; and

13 (4) where no specific information regarding an
14 offering of securities by the issuer is communicated
15 or distributed by or on behalf of the issuer, other
16 than—

17 (A) that the issuer is in the process of of-
18 fering securities or planning to offer securities;

19 (B) the type and amount of securities
20 being offered;

21 (C) the amount of securities being offered
22 that have already been subscribed for; and

23 (D) the intended use of proceeds of the of-
24 fering.

1 (c) RULE OF CONSTRUCTION.—Subsection (b) may
2 only be construed as requiring the Securities and Ex-
3 change Commission to amend the requirements of Regula-
4 tion D with respect to presentations and communications,
5 and not with respect to purchases or sales.

6 (d) NO PRE-EXISTING SUBSTANTIVE RELATIONSHIP
7 BY REASON OF EVENT.—Attendance at an event de-
8 scribed under subsection (b) shall not qualify, by itself,
9 as establishing a pre-existing substantive relationship be-
10 tween an issuer and a purchaser, for purposes of Rule
11 506(b).

12 **SEC. 2703. RESTRICTIONS ON NEW FILING REQUIREMENTS**
13 **IN CONNECTION WITH A GENERAL SOLICITA-**
14 **TION.**

15 With respect to any offer or sale of a security under
16 Regulation D (17 CFR 230.500 et seq.) that is exempt
17 from the prohibition against general solicitation or general
18 advertising contained in section 230.502(c) of title 17,
19 Code of Federal Regulations, the Securities and Exchange
20 Commission may not issue any rule that would apply addi-
21 tional filing requirements (including requirements to file
22 information with the Commission before or after a general
23 solicitation or general advertising) to a general solicitation
24 or general advertising of such a security that were not in
25 effect on the date of enactment of this Act.

1 **TITLE** **VIII—IMPROVING**
 2 **CROWDFUNDING OPPORTUNI-**
 3 **TIES**

4 **SEC. 2801. SHORT TITLE.**

5 This title may be cited as the “Improving
 6 Crowdfunding Opportunities Act”.

7 **SEC. 2802. CROWDFUNDING REVISIONS.**

8 (a) EXEMPTION FROM STATE REGULATION.—Sec-
 9 tion 18(b)(4)(A) of the Securities Act of 1933 (15 U.S.C.
 10 77r(b)(4)(A)) is amended by striking “pursuant to sec-
 11 tion” and all that follows through the semicolon at the
 12 end and inserting the following: “pursuant to—

13 “(i) section 13 or 15(d) of the Securi-
 14 ties Exchange Act of 1934 (15 U.S.C.
 15 78m, 78o(d)); or

16 “(ii) section 4A(b) or any regulation
 17 issued under that section;”.

18 (b) LIABILITY FOR MATERIAL MISSTATEMENTS AND
 19 OMISSIONS.—Section 4A(c) of the Securities Act of 1933
 20 (15 U.S.C. 77d–1(c)) is amended—

21 (1) by redesignating paragraph (3) as para-
 22 graph (4); and

23 (2) by inserting after paragraph (2) the fol-
 24 lowing:

1 “(3) LIABILITY OF FUNDING PORTALS.—For
 2 the purposes of this subsection, a funding portal, as
 3 that term is defined in section 3(a) of the Securities
 4 Exchange Act of 1934 (15 U.S.C. 78c(a)), shall not
 5 be considered to be an issuer unless, in connection
 6 with the offer or sale of a security, the funding por-
 7 tal knowingly—

8 “(A) makes any untrue statement of a ma-
 9 terial fact or omits to state a material fact in
 10 order to make the statements made, in light of
 11 the circumstances under which they are made,
 12 not misleading; or

13 “(B) engages in any act, practice, or
 14 course of business which operates or would op-
 15 erate as a fraud or deceit upon any person.”.

16 (c) APPLICABILITY OF BANK SECRECY ACT RE-
 17 QUIREMENTS.—

18 (1) SECURITIES ACT OF 1933.—Section 4A(a) of
 19 the Securities Act of 1933 (15 U.S.C. 77d–1(a)) is
 20 amended—

21 (A) in paragraph (11), by striking “and”
 22 at the end;

23 (B) in paragraph (12), by striking the pe-
 24 riod at the end and inserting “; and”; and

25 (C) by adding at the end the following:

1 “(13) not be subject to the recordkeeping and
 2 reporting requirements relating to monetary instru-
 3 ments under subchapter II of chapter 53 of title 31,
 4 United States Code.”.

5 (2) TITLE 31, UNITED STATES CODE.—Section
 6 5312 of title 31, United States Code, is amended by
 7 striking subsection (c) and inserting the following:

8 “(c) ADDITIONAL CLARIFICATION.—The term ‘finan-
 9 cial institution’ (as defined in subsection (a))—

10 “(1) includes any futures commission merchant,
 11 commodity trading advisor, or commodity pool oper-
 12 ator registered, or required to register, under the
 13 Commodity Exchange Act (7 U.S.C. 1 et seq.); and

14 “(2) does not include a funding portal, as that
 15 term is defined in section 3(a) of the Securities Ex-
 16 change Act of 1934 (15 U.S.C. 78c(a)).”.

17 (d) PROVISION OF IMPERSONAL INVESTMENT AD-
 18 VICE AND RECOMMENDATIONS.—Section 3(a) of the Secu-
 19 rities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amend-
 20 ed—

21 (1) by redesignating the second paragraph (80)
 22 (relating to funding portals) as paragraph (81); and

23 (2) in paragraph (81)(A), as so redesignated,
 24 by inserting after “recommendations” the following:

25 “(other than by providing impersonal investment ad-

1 vice by means of written material, or an oral state-
2 ment, that does not purport to meet the objectives
3 or needs of a specific individual or account)’’.

4 (e) TARGET AMOUNTS OF CERTAIN EXEMPTED OF-
5 FERINGS.—The Securities and Exchange Commission
6 shall amend paragraph (t)(1) of section 227.201 of title
7 17, Code of Federal Regulations so that such paragraph
8 applies with respect to an issuer offering or selling securi-
9 ties in reliance on section 4(a)(6) of the Securities Act
10 of 1933 (15 U.S.C. 77d(a)(6)) if—

11 (1) the offerings of such issuer, together with
12 all other amounts sold under such section 4(a)(6)
13 within the preceding 12-month period, have, in the
14 aggregate, a target amount of more than \$124,000
15 but not more than \$250,000;

16 (2) the financial statements of such issuer that
17 have either been reviewed or audited by a public ac-
18 countant that is independent of the issuer are un-
19 available at the time of filing; and

20 (3) such issuer provides a statement that finan-
21 cial information certified by the principal executive
22 officer of the issuer has been provided instead of fi-
23 nancial statements reviewed by a public accountant
24 that is independent of the issuer.

1 (f) EXEMPTION AVAILABLE TO INVESTMENT COMPA-
2 NIES.—Section 4A(f) of the Securities Act of 1933 (15
3 U.S.C. 77d–1(f)) is amended—

4 (1) in paragraph (2), by inserting “or” after
5 the semicolon;

6 (2) by striking paragraph (3); and

7 (3) by redesignating paragraph (4) as para-
8 graph (3).

9 (g) NON-ACCREDITED INVESTOR REQUIREMENTS.—
10 Section 4(a)(6) of the Securities Act of 1933 (15 U.S.C.
11 77d(a)(6)) is amended—

12 (1) in subparagraph (A), by striking
13 “\$1,000,000” and inserting “\$10,000,000”; and

14 (2) in subparagraph (B), by striking “does not
15 exceed” and all that follows through “more than
16 \$100,000” and inserting “does not exceed 10 per-
17 cent of the annual income or net worth of such in-
18 vestor”.

19 (h) TECHNICAL CORRECTION.—The Securities Act of
20 1933 (15 U.S.C. 77a et seq.) is amended—

21 (1) by striking the term “section 4(6)” each
22 place such term appears and inserting “section
23 4(a)(6)”; and

1 (2) by striking the term “section 4(6)(B)” each
 2 place such term appears and inserting “section
 3 4(a)(6)(B)”.

4 **TITLE IX—RESTORING THE** 5 **SECONDARY TRADING MARKET**

6 **SEC. 2901. SHORT TITLE.**

7 This title may be cited as the “Restoring the Sec-
 8 ondary Trading Market Act”.

9 **SEC. 2902. EXEMPTION FROM STATE REGULATION.**

10 Section 18(a) of the Securities Act of 1933 (15
 11 U.S.C. 77r(b)(4)) is amended—

12 (1) in paragraph (2), by striking “or” at the
 13 end;

14 (2) in paragraph (3), by striking the period at
 15 the end and inserting “; or”; and

16 (3) by adding at the end the following:

17 “(4) shall directly or indirectly prohibit, limit,
 18 or impose any conditions upon the off-exchange sec-
 19 ondary trading (as such term is defined by the Com-
 20 mission) in securities of an issuer that makes cur-
 21 rent information publicly available, including—

22 “(A) the information required in the peri-
 23 odic and current reports described under para-
 24 graph (b) of section 230.257 of title 17, Code
 25 of Federal Regulations; or

1 “(B) the documents and information re-
 2 quired with respect to Tier 2 offerings, as de-
 3 fined in section 230.251(a) of title 17, Code of
 4 Federal Regulations.”.

5 **DIVISION C—INCREASING**
 6 **ACCESS TO PRIVATE MARKETS**
 7 **TITLE I—GIG WORKER EQUITY**
 8 **COMPENSATION**

9 **SEC. 3101. SHORT TITLE.**

10 This title may be cited as the “Gig Worker Equity
 11 Compensation Act”.

12 **SEC. 3102. EXTENSION OF RULE 701.**

13 (a) IN GENERAL.—The exemption provided under
 14 section 230.701 of title 17, Code of Federal Regulations,
 15 shall apply to individuals (other than employees) providing
 16 goods for sale, labor, or services for remuneration to either
 17 an issuer or to customers of an issuer to the same extent
 18 as such exemptions apply to employees of the issuer. For
 19 purposes of the previous sentence, the term “customers”
 20 may, at the election of an issuer, include users of the
 21 issuer’s platform.

22 (b) ADJUSTMENT FOR INFLATION.—The Securities
 23 and Exchange Commission shall annually adjust the dollar
 24 figure under section 230.701(e) of title 17, Code of Fed-
 25 eral Regulations, to reflect the percentage change in the

1 Consumer Price Index for All Urban Consumers published
2 by the Bureau of Labor Statistics of the Department of
3 Labor.

4 (c) RULEMAKING.—The Securities and Exchange
5 Commission—

6 (1) shall revise section 230.701 of title 17,
7 Code of Federal Regulations, to reflect the require-
8 ments of this section; and

9 (2) may not revise such section 230.701 in any
10 manner that would have the effect of restricting ac-
11 cess to equity compensation for employees or individ-
12 uals described under subsection (a).

13 **SEC. 3103. PREEMPTION OF CERTAIN PROVISIONS OF**
14 **STATE LAW.**

15 Any provision of a State law with respect to wage
16 rates or benefits that creates a presumption that an indi-
17 vidual providing goods for sale, labor, or services for remuneration for a person is an employee of such person under
18 such law is preempted.

20 **SEC. 3104. GAO STUDY.**

21 Not later than the end of the 3-year period beginning
22 on the date of enactment of this Act, the Comptroller General of the United States shall carry out a study on the
23 effects of this title and submit a report on such study to
24 the Congress.

1 **TITLE II—INVESTMENT**
 2 **OPPORTUNITY EXPANSION**

3 **SEC. 3201. SHORT TITLE.**

4 This title may be cited as the “Investment Oppor-
 5 tunity Expansion Act”.

6 **SEC. 3202. INVESTMENT THRESHOLDS TO QUALIFY AS AN**
 7 **ACCREDITED INVESTOR.**

8 Section 2(a)(15) of the Securities Act of 1933 (15
 9 U.S.C. 77b(a)(15)) is amended—

10 (1) by striking “(15) The term ‘accredited in-
 11 vestor’ shall mean—” and inserting the following:

12 “(15) ACCREDITED INVESTOR.—

13 “(A) IN GENERAL.—The term ‘accredited
 14 investor’ means—”;

15 (2) in clause (i), by striking “or” at the end;

16 and

17 (3) by adding at the end the following:

18 “(iii) with respect to a proposed trans-
 19 action, any individual whose aggregate invest-
 20 ment, at the completion of such transaction, in
 21 securities with respect to which there has not
 22 been a public offering is not more than 10 per-
 23 cent of the greater of—

24 “(I) the net assets of the individual;

25 or

1 “(II) the annual income of the indi-
 2 vidual;”.

3 **TITLE III—RISK DISCLOSURE** 4 **AND INVESTOR ATTESTATION**

5 **SEC. 3301. SHORT TITLE.**

6 This title may be cited as the “Risk Disclosure and
 7 Investor Attestation Act”.

8 **SEC. 3302. INVESTOR ATTESTATION.**

9 (a) IN GENERAL.—Section 2(a)(15) of the Securities
 10 Act of 1933 (15 U.S.C. 77b(a)(15)), as amended by sec-
 11 tion 3202, is further amended by adding at the end the
 12 following:

13 “(iv) with respect to an issuer, any in-
 14 dividual that has attested to the issuer
 15 that the individual understands the risks of
 16 investment in private issuers, using such
 17 form as the Commission shall establish, by
 18 rule, but which form may not be longer
 19 than 2 pages in length; or”.

20 (b) RULEMAKING.—Not later than the end of the 1-
 21 year period beginning on the date of enactment of this
 22 Act, the Securities and Exchange Commission shall issue
 23 rules to carry out the amendments made by subsection (a),
 24 including establishing the form required under such
 25 amendments.

TITLE IV—INCREASING INVESTOR OPPORTUNITIES

SEC. 3401. SHORT TITLE.

This title may be cited as the “Increasing Investor Opportunities Act”.

SEC. 3402. CLOSED-END COMPANY AUTHORITY TO INVEST IN PRIVATE FUNDS.

(a) IN GENERAL.—Section 5 of the Investment Company Act of 1940 (15 U.S.C. 80a–5) is amended by adding at the end the following:

“(d) CLOSED-END COMPANY AUTHORITY TO INVEST IN PRIVATE FUNDS.—

“(1) IN GENERAL.—Except as otherwise prohibited or restricted by this Act (or any rule issued under this Act), the Commission may not limit a closed-end company from investing any or all of the company’s assets in private funds solely or primarily because of the private funds’ status as private funds.

“(2) APPLICATION.—Notwithstanding section 6(f), this subsection shall also apply to a closed-end company that elects to be treated as a business development company.”.

(b) DEFINITION OF PRIVATE FUND.—

(1) INVESTMENT COMPANY ACT OF 1940.—Section 2(a) of the Investment Company Act of 1940

1 (15 U.S.C. 80a–2(a)) is amended by adding at the
 2 end the following:

3 “(55) The term ‘private fund’ means an issuer
 4 that would be an investment company but for para-
 5 graph (1) or (7) of section 3(c).”.

6 (2) INVESTMENT ADVISERS ACT OF 1940.—The
 7 first paragraph (29) (relating to “private fund”) of
 8 section 202(a) of the Investment Advisers Act of
 9 1940 (15 U.S.C. 80b–2(a)) is amended to read as
 10 follows:

11 “(29) The term ‘private fund’ has the meaning
 12 given that term under section 2(a) of the Investment
 13 Company Act of 1940.”.

14 (c) TREATMENT BY NATIONAL SECURITIES EX-
 15 CHANGES.—Section 6(b) of the Securities Exchange Act
 16 of 1934 (15 U.S.C. 78f(b)) is amended by adding at the
 17 end the following:

18 “(11)(A) The rules of the exchange do not pro-
 19 hibit the listing or trading of securities of a closed-
 20 end company solely or primarily by reason of the
 21 amount of the company’s investment of assets in pri-
 22 vate funds.

23 “(B) In this paragraph—

24 “(i) the term ‘closed-end company’ has the
 25 meaning given that term under section 5(a) of

1 the Investment Company Act of 1940, and in-
 2 cludes a closed-end company that elects to be
 3 treated as a business development company
 4 under section 6(f) of such Act; and

5 “(ii) the term ‘private fund’ has the mean-
 6 ing given that term under section 2(a) of the
 7 Investment Company Act of 1940.”.

8 (d) INVESTMENT LIMITATION.—Section 3(c) of the
 9 Investment Company Act of 1940 (15 U.S.C. 80a–3(c))
 10 is amended—

11 (1) in paragraph (1), by striking “subpara-
 12 graphs (A)(i) and (B)(i)” and inserting “subpara-
 13 graphs (A)(i), (B)(i), and (C)”;

14 (2) in paragraph (7)(D), by striking “subpara-
 15 graphs (A)(i) and (B)(i)” and inserting “subpara-
 16 graphs (A)(i), (B)(i), and (C)”.

17 **TITLE V—ACCREDITED INVES-**
 18 **TORS INCLUDE INDIVIDUALS**
 19 **RECEIVING ADVICE FROM**
 20 **CERTAIN PROFESSIONALS**

21 **SEC. 3501. ACCREDITED INVESTORS INCLUDE INDIVIDUALS**
 22 **RECEIVING ADVICE FROM CERTAIN PROFES-**
 23 **SIONALS.**

24 (a) SECURITIES ACT OF 1933.—Section 2(a)(15) of
 25 the Securities Act of 1933 (15 U.S.C. 77b(a)(15)), as

1 amended by sections 3202 and 3302, is further amended
 2 by adding at the end the following:

3 “(v) any individual receiving individ-
 4 ualized investment advice or individualized
 5 investment recommendations with respect
 6 to the applicable transaction from an indi-
 7 vidual described under section
 8 203.501(a)(10) of title 17, Code of Federal
 9 Regulations.

10 “(B) DEFINITIONS.—In subparagraph
 11 (A)(v):

12 “(i) INVESTMENT ADVICE.—The term
 13 ‘investment advice’ shall be interpreted
 14 consistently with the interpretation of the
 15 phrase ‘engages in the business of advising
 16 others, either directly or through publica-
 17 tions or writings, as to the value of securi-
 18 ties or as to the advisability of investing in,
 19 purchasing, or selling securities’ under sec-
 20 tion 202(a)(11) of the Investment Advisers
 21 Act of 1940 (15 U.S.C. 80b–2(a)(11)).

22 “(ii) INVESTMENT RECOMMENDA-
 23 TION.—The term ‘investment recommenda-
 24 tion’ shall be interpreted consistently with
 25 the interpretation of the term ‘rec-

1 commendation’ under section 240.15l-1 of
 2 title 17, Code of Federal Regulations.”.

3 (b) CONFORMING CHANGES TO REGULATIONS.—The
 4 Securities and Exchange Commission shall revise section
 5 203.501(a) of title 17, Code of Federal Regulations, and
 6 any other definition of “accredited investor” in a rule of
 7 the Commission in the same manner as such definition
 8 is revised under subsection (a).

9 **TITLE VI—RETIREMENT FAIR-**
 10 **NESS FOR CHARITIES AND**
 11 **EDUCATIONAL INSTITUTIONS**

12 **SEC. 3601. SHORT TITLE.**

13 This title may be cited as the “Retirement Fairness
 14 for Charities and Educational Institutions Act of 2023”.

15 **SEC. 3602. ENHANCEMENT OF 403(b) PLANS.**

16 (a) AMENDMENTS TO THE INVESTMENT COMPANY
 17 ACT OF 1940.—Section 3(c)(11) of the Investment Com-
 18 pany Act of 1940 (15 U.S.C. 80a-3(c)(11)) is amended
 19 to read as follows:

20 “(11) Any—

21 “(A) employee’s stock bonus, pension, or
 22 profit-sharing trust which meets the require-
 23 ments for qualification under section 401 of the
 24 Internal Revenue Code of 1986;

1 “(B) custodial account meeting the re-
2 quirements of section 403(b)(7) of such Code;

3 “(C) governmental plan described in sec-
4 tion 3(a)(2)(C) of the Securities Act of 1933;

5 “(D) collective trust fund maintained by a
6 bank consisting solely of assets of one or
7 more—

8 “(i) trusts described in subparagraph
9 (A);

10 “(ii) government plans described in
11 subparagraph (C);

12 “(iii) church plans, companies, or ac-
13 counts that are excluded from the defini-
14 tion of an investment company under para-
15 graph (14) of this subsection; or

16 “(iv) plans which meet the require-
17 ments of section 403(b) of the Internal
18 Revenue Code of 1986 if—

19 “(I) such plan is subject to title
20 I of the Employee Retirement Income
21 Security Act of 1974 (29 U.S.C. 1001
22 et seq.);

23 “(II) any employer making such
24 plan available agrees to serve as a fi-
25 duciary for the plan with respect to

1 the selection of the plan's investments
2 among which participants can choose;
3 or

4 “(III) such plan is a govern-
5 mental plan (as defined in section
6 414(d) of such Code); or

7 “(E) separate account the assets of which
8 are derived solely from—

9 “(i) contributions under pension or
10 profit-sharing plans which meet the re-
11 quirements of section 401 of the Internal
12 Revenue Code of 1986 or the requirements
13 for deduction of the employer's contribu-
14 tion under section 404(a)(2) of such Code;

15 “(ii) contributions under govern-
16 mental plans in connection with which in-
17 terests, participations, or securities are ex-
18 empted from the registration provisions of
19 section 5 of the Securities Act of 1933 by
20 section 3(a)(2)(C) of such Act;

21 “(iii) advances made by an insurance
22 company in connection with the operation
23 of such separate account; and

24 “(iv) contributions to a plan described
25 in subparagraph (D)(iv).”.

1 (b) AMENDMENTS TO THE SECURITIES ACT OF
2 1933.—Section 3(a)(2) of the Securities Act of 1933 (15
3 U.S.C. 77c(a)(2)) is amended—

4 (1) by striking “or (D)” and inserting “(D) a
5 plan which meets the requirements of section 403(b)
6 of such Code if (i) such plan is subject to title I of
7 the Employee Retirement Income Security Act of
8 1974 (29 U.S.C. 1001 et seq.), (ii) any employer
9 making such plan available agrees to serve as a fidu-
10 ciary for the plan with respect to the selection of the
11 plan’s investments among which participants can
12 choose, or (iii) such plan is a governmental plan (as
13 defined in section 414(d) of such Code); or (E)”;

14 (2) by striking “(C), or (D)” and inserting
15 “(C), (D), or (E)”; and

16 (3) by striking “(iii) which is a plan funded”
17 and inserting “(iii) in the case of a plan not de-
18 scribed in subparagraph (D), which is a plan fund-
19 ed”.

20 (c) AMENDMENTS TO THE SECURITIES EXCHANGE
21 ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-
22 change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-
23 ed—

24 (1) by striking “or (iv)” and inserting “(iv) a
25 plan which meets the requirements of section 403(b)

1 of such Code if (I) such plan is subject to title I of
2 the Employee Retirement Income Security Act of
3 1974 (29 U.S.C. 1001 et seq.), (II) any employer
4 making such plan available agrees to serve as a fidu-
5 ciary for the plan with respect to the selection of the
6 plan's investments among which participants can
7 choose, or (III) such plan is a governmental plan (as
8 defined in section 414(d) of such Code), or (v)";

9 (2) by striking "(ii), or (iii)" and inserting
10 "(ii), (iii), or (iv)"; and

11 (3) by striking "(II) is a plan funded" and in-
12 serting "(II) in the case of a plan not described in
13 clause (iv), is a plan funded".

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